



## Impact of Reward System on Employee Performance in Telecommunication Industry; A Case Study of Mtn Nigeria limited, Makurdi, Benue State, Nigeria

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### Abstract

To achieve employee performance in an organization, employees reward system must be of utmost concern, because it has to do with compensating and motivating employees. Employees in private sector in Nigeria are not well remunerated and are basically working on commission basis. This practice might affect employee performance if a drastic step towards addressing the issues surrounding reward system is not made. This study, therefore examined the impact of reward system on employee performance in telecommunication industry; a case study of MTN Nigeria limited, Makurdi, Benue state. The information provided in this article is anchored on descriptive survey research design, data was collected from the employees, and analyzed using Statistical Package for Social Sciences (SPSS). The findings revealed that; reward system have a positive significant effect on employee performance in MTN Nigeria Limited, Makurdi. It also concluded that provision reward system will considerably improve employee performance in MTN Nigeria Limited, Makurdi. The study recommends that, Telecommunication industry, should improve on their reward system and compensation to encourage employee commitment and performance at work.

**Keywords:** Employee Performance, Reward System

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### I. Introduction

With the rising force of impact of globalization, organizations are expected to focus on employee reward system, to enhance their performance, rendezvous, engagement and motivation, given the fact that the economy is uncertain, and organizations are operating in a complex, volatile, dynamic and competitive business environment. Thus, organizations need to develop strategies to acquire and retain its competent workforce. The performance of employees in organizations has been an issue that bothers policy makers and employers in every industry, including the Nigerian telecommunication industry.

The challenging economic situation in Nigeria, especially in Benue State has put increased pressure on organizations in recent years; hence, most organizations are relying on their internal resources to achieve higher levels of performance and productivity. One of the most critical factors of organizations with respect to output and profitability is their employees. This goes to say that the quality and level of competence of employees is directly proportional to the productivity of the organization. Thus, utilizing various avenues rewards employees for their contributions and dedication towards the growth and attainment of the objectives of the organization.

Reward systems, whether monetary or non-monetary, serve as essential mechanisms for motivating employees and aligning their efforts with organizational objectives. Reward systems are designed to recognize and reinforce employees' contributions while fostering a sense of accomplishment and job satisfaction. The presence of an efficient and well-structured reward system can act as a powerful catalyst in driving motivation and improving performance outcomes. Conversely, the absence of an effective reward system or poorly designed incentive structure can result in negative consequences such as job dissatisfaction, disengagement, attrition, decreased productivity, and high employee turnover. As such, it is crucial to understand the relationship between reward systems and motivation in order to design interventions that lead to favorable outcomes for both employees and organizations. (Samuel et al., 2025)

Rewards include all forms of financial returns and non-financial benefits an employee receives as part of an employment relationship. Rewards are the benefits that arise from performing a task, rendering a service or discharging a responsibility. Organizations provide rewards to employees in the form of wages and salaries, bonuses, allowances and other fringe benefits. These rewards are to motivate behaviour that will contribute to the achievement of the goals of organizations. Reward programs should be properly designed in the organization to reinforce positive behaviour which leads to performance. The aim of a good reward system is to motivate, attract and retain employees thereby enhancing improved performance (Alsafadi&Altahat, 2021).

Salaries are fixed payments offered to employees for working with organizations, excluding deductions such as tax contributions and insurance (Falola *et al.*, 2019). A Wage(s) can be defined as amount of money paid to a worker for a specified quantity of work, usually calculated on an hourly basis and expressed in an amount of money per hour (English dictionary 2025).

Bonuses are paid in addition to salaries based on employee performance, and they include performance-based bonuses, holiday bonus and holiday supplement and seniority increments paid to employees. Allowances are fixed payments by employers to the employees to meet certain expenditures above basic salary such as travel allowance, housing allowance, car allowance and school fees allowance. Fringe benefits are the additional benefits offered to an employee, above the stated salary for the performance of a specific service. Recognition involves acknowledging the performance of employees in tasks assigned to them (Dewua, Diaka&Asenge, 2020).

This study is hinged on two theories; Herzberg's Two-Factor Theory (1968), which provided a foundational framework for understanding the connection in rewards system. It theorizes that performance is influenced by two factors which includes; Intrinsic Factors (recognition and achievement) and Hygiene factors (compensation, and job security). The second theory, is the Reinforcement theory, industrialized by Skinner (1953), this theory supports Herzberg's theory but, in this phase, accentuating that external rewards can shape behavior, either by reinforcing desired actions or discouraging undesirable ones. Reward systems and the role it played in influencing motivation and performance is widely explored in the literature review.

Employees' performance is a requirement for the attainment of the goals of every organization in this present-day dynamic business environment. For modern organizations such as MTN to perform at desired levels, they need committed and loyal workforce that are willing to take up difficult tasks and be responsible towards attaining the defined goals of the organization. Employees' performance in both task and contextual measures enable organizations to deliver both quantity and desired quality products and services to customers (Samuel &Olatokun, 2014). Employee performance is determined by the quality of work and timeliness of service. Quality of work measures the standard of work employees deliver in organizations while timeliness of service shows how employees can meet up with the expectation of customers or clients over a period.

The Telecommunication industry in Nigeria remains one of the growing sectors in the country, especially since the advent of Covid-19. Globally, the Telecommunication industry sector has contributed immensely in the economic growth and development of nations. It accounts largely for increased employment generation, innovation and capacity development in both developed and developing economies. The Nigerian Telecommunication industry, offers a wide array of services with mobile network providers like MTN, Airtel, Glo and 9mobile, dominating the market. Other providers include; MainOne, ViasatInc and Broad based (BBCOM). Their services include voice calls, Short Message Service (SMS), data(internet) services and increasingly, digital and fintech services. Other players, provide services like; roaming, internet access (fixed and mobile), fixed line services, infrastructure, managed services, satellite services, pay phone, repair and maintenance, value-added services among others.

For this study, we choose to use MTN Limited Makurdi, Benue State. Because MTN have the competitive advantage and most coverage in Makurdi among other networks. Benue state is a beautiful state located in the Middle Belt Region of Nigeria specifically, its situated within the lower River Benue trough the state's geographical coordinates are roughly between latitude 6<sup>0</sup>25'N and 8<sup>0</sup>8'N, and longitudes 7<sup>0</sup>47'E and 10<sup>0</sup>0'e. according to Wikipedia, it shares borders with several other Nigerian States ; Nasarawa to the North, Taraba to the East, Cross river to the south, Enugu to the Southwest and Kogi to the West. There's also a small

international boundary with Cameroon in the southeast. The State capital is Makurdi which is the main reason we chose to study MTN Limited in the heart of the state (Food Basket of the Nation). It is inhabited predominantly, by the Tiv, Idoma and Iggede people with minority ethnic groups like; Etulo, Igbo, Yoruba, Hausa and Jukun. It is a rich agricultural region, with common crops cultivated like Oranges, Yams, Mangoes, Sweet potatoes, Cassava, Soyabeans, Guinea corn, Flax, Sesame, Rice, Groundnuts, Maize, and Palm trees. With the Agricultural strength the state has, it naturally invites commerce to the state which naturally has to do with Telecommunication.

Mobile Telecommunications Network (MTN) is one of the licensed Global System for Mobile Telecommunications (GSM) companies operating in Nigeria both in the state and local government. The height of innovation, adaptation and motivation of employees has continued to determine the level of success or failure of most organizations. The nature of GSM services requires employees' to be highly motivated in order to remain committed. MTN Nigeria Limited is one of the telecommunication companies in Nigeria that has experienced growth in all its revenue lines including Voice, Data, FinTech and Digital revenue among others. The company generated ₦568.1 billion in 2023 and ₦752.9 billion in the first quarter of 2024 (Oghenevwegba, 2022).

Amid sustained high demand for data and FinTech services, MTN Group increased the number of active data subscribers by more than 9% to 150 million and active Mobile Money (MoMo) users by 5% to 72.5 million. The total subscribers increased to 295 million across the Group's markets. However, the company has faced challenging operating environment necessitated by inflation and continuous depreciation of the naira. It also reported a pre-tax loss of ₦575.69 billion, a sharp reversal from the ₦162.9 billion profit reported a year later. MTN's loss was primarily driven by exchange rate depreciation, incurring a staggering ₦656.3 billion in foreign exchange losses (Oghenevwegba, 2022).

There are many fierce market competitions in the realm of globalisation, particularly in the telecom sector. The liberalisation of the Nigerian telecommunications market has opened it up to competition. MTN, Nigeria is one of the Global Systems Mobile Communication (GSM) carriers with the widest coverage, and it is renowned for having a significant number of users and providing quality service. The business continues to hold a dominant position in Nigeria as a supplier of infrastructure to the nation's corporate clients and other telecom providers. However, the pressure from management brought on by the daily increase in subscribers can make work uncomfortable for staff. The quality of MTN's personnel determines how well the company performs in terms of network service quality, dependability and consistency in resolving customer complaints, and capacity to offer a range of value-added services. Employees must be motivated through a performance appraisal system in order to endure and grow stronger in this global competition.

MTN Nigeria Limited, Makurdi Benue state is located at No.17 Railway by-pass high level, Makurdi, Benue State Nigeria and the website address is [www.mtnmobile.com](http://www.mtnmobile.com). The staff strength of MTN Nigeria Limited, Makurdi Benue State as at the time of our research, is 41 staff, including; 6 management staff, 13 senior staff and 22 lower-level staff.

The dynamic nature of the environment has altered the values and expectations of workers, thereby putting pressure on employers to review upwards the contents of reward system. The economic situation in Nigeria has changed drastically in recent time such that cost of living has shut up drastically, cost of operation has increased and competition has become more intense. Workers are more sensitive to the value they create and the incentives they get in form of monetary and non-monetary rewards. Employees now look out for companies that can offer attractive salaries, robust benefits and reliable welfare packages (Kawara, 2021). To achieve goals and objectives, organizations irrespective of size, develop strategies to compete in highly competitive markets and to increase employee performance (Obiaga&Itakpe, 2021).

In order to encourage employees to accomplish the necessary goals and embrace the desired abilities, competencies, and behaviors, rewards ought to be in line with the company's strategy. Employees must be encouraged to gain job-related knowledge about skills, and attitudes in addition to having the motivation to improve (reward) in order to improve. Since MTN Nigeria Limited's human resource qualities are ultimately determine its success in Makurdi, Benue State, managers are expected to use effective compensation schemes to inspire employees and boost output. In accordance with this, this study examines how MTN Nigeria Limited's Makurdi reward system affects worker performance.

### **Statement of the Problem**

MTN Nigeria Limited Makurdi, is confronted with many challenges, which include the issue of compensating and motivating their workforce. Telecommunication companies are expected to design reward programs that aim at motivating, retaining, committing and attracting new employees. However, in most cases the rewards employees receive is not even proportionate to the efforts and skills that they put into work and organisational activities. Most employees of telecommunication companies in Nigeria are not well remunerated and basically, they are working on commission basis especially those that are in the marketing unit of the organization.

In MTN Nigeria Limited Makurdi, employees no longer feel the sense of loyalty that once existed. We gathered from most employees that they focus more on job hunting rather than increasing their performance thereby hurting the general performance of the company. Recently, customers have been alleging unsatisfactory products and services by MTN. Despite the huge investment, MTN Management claimed to have invested over the years on staff training and the procurement of state-of-the-art equipment to improve performance. The poor performance of employees has manifested through; turnover, absenteeism, lack of courteousness, low commitment, poor attitude to customers, lackadaisical attitudes, shenanigans amongst others. There are cases of lateness to work and not keeping appointment with customers, employees becoming very unfriendly and even hostile while attending to customers, some lose focus and consequently supply wrong brand of products to customers and these result in long waiting time and bottlenecks for customers to receive the needed goods and services, and the consequent low performance as some customers lose patience and consequently take their leave and even move their patronage to other competitive alternative service providers. The poor attitudes of the sales force in MTN Makurdi Office such as delayed sales calls, lack of information and solutions to customers problems, could have resulted from the poorly structured or unavailable reward system through lack of fringe benefits, poor salaries, poor bonuses, lack of recognition and appreciation and poor allowances offered by the company to its employees. The rate at which employee turnover is not increasing in the company has become a thing of concern and it is obvious that the steps taken by the management of the company have not been fruitful. There had been constant mobility of the highly skilled employees from one rival company to another and they hardly stay for long in MTN Company before moving to rival companies. This study is therefore spurred to investigate the impact of reward system on employee performance in MTN Nigeria Limited, Makurdi.

### **Objectives of the Study**

The broad objective of the study is to examine the effect of reward system on employee performance in MTN Nigeria Limited, Makurdi. The specific objectives are to:

- i. Determine the effect of salary increase on employee performance in MTN Nigeria Limited, Makurdi
- ii. Examine the effect of bonuses on employee performance in MTN Nigeria Limited, Makurdi
- iii. Evaluate the effect of increased responsibilities on employee performance in MTN Nigeria Limited, Makurdi
- iv. Ascertain the effect of recognition on employee performance in MTN Nigeria Limited, Makurdi

### **Research Questions**

The study seeks to provide answers to the following research questions:

- i. To what extent is the effect of salary increase on employee performance in MTN Nigeria Limited, Makurdi?
- ii. To what extent is the effect of bonuses on employee performance in MTN Nigeria Limited, Makurdi?
- iii. To what extent is effect of increased responsibilities on employee performance in MTN Nigeria Limited, Makurdi?
- iv. To what extent is effect of recognition on employee performance in MTN Nigeria Limited, Makurdi?

### **Research Hypotheses**

The study is guided by the following hypotheses stated in a null format:

- H<sub>01</sub>: Salary increase has no significant effect on employee performance in MTN Nigeria Limited, Makurdi  
H<sub>02</sub>: Bonuses have no significant effect on employee performance in MTN Nigeria Limited, Makurdi  
H<sub>03</sub>: Increased responsibilities have no significant effect on employee performance in MTN Nigeria Limited, Makurdi  
H<sub>04</sub>: Recognition has no significant effect on employee performance in MTN Nigeria Limited, Makurdi

## **II. REVIEW OF RELATED LITERATURE**

### **Reward System**

The concept of reward refers to any compensation given to an employee such as base salary, bonuses, and other payments, as well as deferred compensation or benefits paid under the terms of an employment contract (Kawara, 2021). Reward also refers to a pay or reward given to individuals for work done, and this includes basic salary, wages, health schemes, pension schemes, transport allowances, overtime allowance and responsibility allowances (Kehinde & Adeagbo, 2020). Reward refers to all the monetary, non-monetary, and psychological payments that an organization provides for its employees as part of employees relations. Reward is special payment for special work. Organizational Reward System is one of the methods of achieving control in organizations as well as defining the relationship with the individual employee and the organization (Abdul *et al.* 2019).

Rewards include all forms of financial returns and non-financial benefits an employee receives as part of an employment relationship. Rewards are the benefits that arise from performing a task, rendering a service or discharging a responsibility (Samuel & Olatokun, 2022). Reward systems are divided into intrinsic and extrinsic reward. Extrinsic reward comes from external factors such as financial rewards and needs to be refilled at regular intervals not to lose its effect. Intrinsic reward comes from inside of an individual and do not attach monetary value (Samuel & Olatokun, 2022).

Reward system is a framework to create performance reports in organizations. This approach enables management to translate mission goals and vision of the company, various business units and duties of directors to indicators related to performance evaluation (Al-Hazazi, 2020). Reward system contains the organizations policies, processes and practices for rewarding its employees in accordance with their contribution, abilities and artifice. It is progressed within the organizations reward philosophy, strategies and policies, and includes agreements in the form of processes, practices, structures and procedures which will provide appropriate types and levels of pay, benefits and other forms of reward (Allampradhuet *al.*, 2021).

### **Dimensions of Reward System**

Different reward systems are provided by organizations, and these include monetary and non-monetary rewards. Ogunyemi, Adewole and Akinde (2019) identified the dimensions of reward system to include minimum wage, commission and bonuses. Other studies considered wages and salaries, commissions, bonuses, fringe benefits, allowances, and other re-imbursments as the forms of remuneration (Uwase & Irechukwu, 2023; Widyaningrum, 2020). In this study, wages and salaries, bonuses, fringe benefits and allowances are used as the dimensions of reward system since they are applicable to the organization studied.

### **Employee Performance**

Employee performance refers to the work achieved by employees following the completion of tasks assigned to them during a period (Garba & Idiris, 2022). A company needs to conduct a performance appraisal on its employees. Performance appraisal plays a very important role in increasing motivation in the workplace. Assessment should provide an accurate picture of work performance. Employee performance is the successful completion of task, responsibilities or assignment by selected employee or group of employees based on a set of performance objective and indicator of efficiency and effective utilization of available resources (Ghimire *et al.*, 2020).

Employee performance also entails the achievement of set of standards in terms of accuracy and completeness over a specified period. Employee performance will exchange the fate of the organization. The hard work and good performance the employee puts into his work schedule, in order to increase productivity, indirectly the employee is increasing the profit (Enyioko & Ikoro, 2018). According to Yakubu *et al.* (2023), employee performance is the work that can be accomplished by a person or group of persons under the authority and responsibilities of each to achieve legally relevant organizational goals, not against the law and under moral and ethical.

Afriyie *et al.* (2020) asserted that an employee performance is a working result achieved by someone in doing assignments that are given to him/her which is based on ability, experience, willingness, and time. From some of the opinions above, it can be concluded that employees' performance is both quality and quantity achieved working result by employees doing assignments that are given to them.

Garba & Idris (2021) stated that employee performance contains quality and quantity of results driven by individual or group struggle completion. Employee performance is also looked at as the ability of employees to achieve their respective work aims, then meet their expectations, achieve benchmarks or accomplish their organizational goals (Alabi, *et al.*, 2022). Employee performance embodies the whole belief of the employee about their conduct and contributions to the accomplishment of the organization and compensation practices, performance evaluation, and promotional practices are determinants of employee performance. Employee performance is defined in this study as the successful completion of tasks assigned to employees using required skills and competencies that contribute to the achievement of organizational goals.

### **Measures of Employee Performance**

Measuring employee performance is a difficult task for organizations hence; different measures are suggested by various scholars. These measures include quality of work or service, timeliness of service, employee innovativeness, and efficiency of work (Alabi *et al.*, 2022). Quality of work and timeliness of service are however, used in this study as the measures of employee performance. These measures are applicable to service organizations in measuring employee performance

### **Theoretical Framework**

The theoretical model that underpins this study is rooted in Herzberg's Two-Factor Theory and Reinforcement Theory. These two theories offer valuable insights into the complex relationship between

motivation, reward systems, and employee performance, and they serve as a foundation for understanding how reward systems act as moderators in the performance equation. In addition to Herzberg's and Reinforcement Theories, Expectancy Theory (Vroom, 1964) provides a valuable perspective on how employees assess rewards based on effort, performance, and outcomes. Employees are more likely to be motivated when they perceive a strong link between their effort and the rewards they receive. Similarly, Self-Determination Theory (Ryan & Deci, 2021) emphasizes the role of autonomy, competence, and relatedness in fostering intrinsic motivation. Integrating these theories provides a more holistic understanding of how reward systems influence motivation and performance.

### **Herzberg's Two-Factor Theory**

Herzberg's Two-Factor Theory, also known as the Motivation-Hygiene Theory, categorizes factors of work into two categories: motivators and hygiene factors (Herzberg, 1968; Herzberg et al., 1959). Motivators are intrinsic factors, such as recognition, achievement, responsibility, and opportunities for growth, which contribute to job satisfaction and drive employees to work harder. Hygiene factors, on the other hand, are extrinsic factors, such as compensation, job security, and the work environment, which are essential to prevent dissatisfaction but do not necessarily lead to satisfaction (Herzberg, 1968; Samuel et al., 2025).

Herzberg's theory has remained a foundational concept in motivation research, with numerous studies validating its relevance, especially in careers that require high employee engagement (Manzoor et al., 2021; Dartey-Baah&Amoako, 2021). For instance, in reward systems, financial rewards, such as bonuses, represent hygiene factors that provide the basic level of satisfaction necessary for participation, while non-financial rewards, such as appreciation and recognition, lead to intrinsic satisfaction and drive superior performance (Wong, 2023, Samuel et al., 2025). The combination of both types of factors in a well-designed reward system can significantly enhance the relationship between motivation and performance.

### **Reinforcement Theory**

Reinforcement theory was propounded by Skinner (1969). The theory states that a response followed by a reward is more likely to recur in the future (Thorndike's Law of Effect). The theory depicts how consequences of past behavior affect future actions in a cyclical learning process. Based on this, the individuals own behavior (response) to a situation or event (stimulus) is dependent on the type of reward system. The implication for reward management is that high employee performance followed by a monetary reward will make future high performance more likely. It also explains that high performance not followed by a reward will make it less likely in the future. The theory emphasizes the importance of an employee actually experiencing the reward.

Reinforcement theory suggests that motivation can be engineered externally (Lussier & Achua, 2018). It proposes that through positive or negative consequences people will be motivated to choose behaviors which best reflect organizational values (Lussier & Achan, 2018). The theory encourages managers to understand the correlation between behaviors and their consequences and codify standards which incentivize wanted behaviors and discourage unwanted ones (Lussier & Achan, 2018). In this way, employees will eventually be conditioned to the degree that choosing acceptable behavior becomes an unconscious habit (Lussier & Achan, 2018).

### **Integrating the Theories**

Reinforcement theory and Herzberg's Two-Factor Theory combined provide a thorough grasp of how incentive schemes affect employee motivation and output. Reinforcement theory describes how rewards can either reinforce or weaken these motivating impulses, while Herzberg's theory emphasizes the significance of both inner and extrinsic elements in sustaining job satisfaction. When combined, these theories offer useful guidance to businesses seeking to create incentive programs that satisfy the various motivational requirements of their employees, ensuring equity and encouraging continuous involvement (Herzberg et al., 1959; Skinner, 1953; Cohen-Charash& Spector, 2001). Herzberg's theory has provided a holistic perspective on both the hygiene factors and motivators, but what this study aims to support is that the absence of the hygiene factors (reward system) demotivates employees because, even though motivators are intrinsic, the absence or abuse of the extrinsic influences the intrinsic factors. Employees evaluate rewards based on effort, and once they don't see a connection between effort and outcome (reward), they naturally become demotivated and stop putting in the same amount of effort they once did.

## **III. METHODOLOGY**

**Table 1: Research Methodology Overview**

Research Component	Description
Research Design	Descriptive survey research design

<b>Research Approach</b>	Deductive approach based on Herzberg's Two-Factor Theory and Reinforcement Theory
<b>Study Population</b>	Employees from MTN Nigeria Limited, Makurdi.
<b>Sampling technique</b>	census sampling technique
<b>Sample Size</b>	41 staff of the company including, Management, Senior and Lower level staff
<b>Data Collection Method</b>	Questionnaire a five-point Likert-scale as follows: strongly agree 5, agree 4, uncertain 3, disagree 2 and strongly disagree 1
<b>Instrument validation</b>	A pilot test was carried out on 10 staff of a telecom company
<b>Reliability Test</b>	Cronbach alpha ( $\alpha > 0.7$ for all variables)
<b>Measurement Tools</b>	Motivation: Work Preference Inventory (Amabile et al., 1994) Reward Systems: Total Rewards Model (WorldatWork, 2021) Employee Performance: Performance Appraisal Scale (Armstrong, 2020)
<b>Ethical Consideration</b>	Ethical approval obtained, informed consent secured, and participant anonymity maintained
<b>Data Analysis Techniques</b>	Statistical Package for Social Sciences (SPSS)

**Source:** *Authors Research Methodology Overview, 2025*

### Research Design

This study adopts a descriptive survey research design, to examine the impact of reward system on employee performance in MTN Nigeria Limited, Makurdi Benue State. This design was appropriate for this study because it enhances the amount of quality information yielded, and allowed the researchers, the liberty to be in the field, survey and collect data in real time bringing originality to this study. A quantitative research method was used for the study to achieve objective measurement and statistical testing to help enhance the reliability and replicability of the findings for further studies. Though descriptive survey research design is effective and efficient to the researchers, it may not have captured other parts of the Reward System, due to its dynamic nature. Therefore, this study acknowledges this limitation, and encourage future research investigation on the impact of reward system on employee performance.

Neoclassical established theoretical frameworks, that includes; Skinner's Reinforcement Theory (Skinner, 1953) and Herzberg's Two-Factor theory (Herzberg, 1968), serve as the foundation for the impact of reward systems on employee performance. This article discusses the specifics of the theories. By combining these ideas, the researchers could investigate how reinforcement processes, extrinsic and intrinsic factors interact in an organizational environment to affect employee performance. By combining Skinner's Reinforcement theory with Herzberg's Two-Factor theory (Herzberg, 1968), the research design allowed for a comprehensive examination of reward systems and their effects on employee performance.

The sample for this study, includes; 41 employees from MTN Nigeria Limited, Makurdi Benue State at various hierarchical levels; 6 management staff, 13 senior staff and 22 lower-level staff.

**Table 2: Staff of MTN Nigeria Limited, Makurdi Benue State**

<b>Staff category</b>	<b>Number of Staff</b>
Management Staff	6
Senior Staff	13
Low-Level Staff	22
<b>Total</b>	<b>41</b>

**Source:** *Human Resource Department, MTN Office Makurdi, 2025*

### Sampling Technique

The study adopted a census sampling technique and the entire 41 staff of the company including, management, senior and low-level staff serves as the sample size. This approach is adopted since the population of the study was small and manageable.

The sampling strategy is unique in that it intentionally includes a range of employees from all at various hierarchical levels. This is a critical aspect of the study, as it acknowledges that the effectiveness and relevance of incentive schemes may differ depending on employment status. Previous studies on motivation have overlooked this factor, which is especially significant in the context of modern labor relations, where Low-Level Staff (which include mostly; part-time and contractual employees) represent a large portion of the workforce (Samuel et al., 2025).

A structured questionnaire was designed to capture data on the key variables of the study: motivation, reward systems, and employee performance. The instrument was divided into three distinct sections, each designed to measure a specific aspect of the study:

1. **Motivation:** Both intrinsic and extrinsic motivation were evaluated using the Work Preference Inventory (Amabile et al., 1994). Items like "Money is an important motivator for me" (extrinsic) and "I like the

challenge of solving difficult problems" (intrinsic) are included in this inventory. On a 5-point Likert scale, where 1 represents strongly disagree and 5 represents strongly agree, participants were asked to score how much they agreed with each statement. By distinguishing between employees who are driven by internal satisfaction and those who are motivated by external rewards, the inventory enables a nuanced understanding of employees' motivation levels.

2. **Reward Systems:**The Total Rewards Model served as the foundation for the questionnaire's reward systems section (WorldatWork, 2021). Employee perceptions of monetary and nonmonetary rewards, their fairness, and the degree of gratitude they experience are all assessed by this model. Statements like "I feel my contribution is valued" and "My company's reward system is transparent and fair" were among the items. These statements aid in gauging how well employees believe their contributions are rewarded by the company and whether they believe the system is fair.

3. **Employee Performance:**Based on the Performance Appraisal Scale, performance was evaluated through a combination of supervisor and self-assessment (Armstrong, 2020). This scale assesses a number of performance factors, such as teamwork, creativity, and task performance. Through the integration of supervisor assessments and self-reports, the study guarantees a thorough comprehension of worker performance.

A pilot test was carried out on 10 staff of MTN Limited Nigeria, Makurdi Benue State company and Cronbach alpha was used for this purpose. A value of 0.70 and above is considered an acceptable threshold for Cronbach alpha (field work, 2025). The result presented in Table 3 showed that all the constructs were reliable since they were above 0.70 acceptable threshold.

**Table 3 Reliability Test Results**

Variable	Cronbach's Alpha
Salary Increase	0.890
Bonuses	0.821
Increased Responsibilities	0.872
Recognition	0.881
Employee Performance	0.889
<b>Overall Reliability</b>	<b>0.871</b>

**Source:** *Researcher's Computation from SPSS Output, 2025.*

The data for this study were collected within five weeks, coded and analyzed using the Computer Based Statistical Package for Social Sciences (SPSS). Simple percentages, frequency tables, mean and standard deviation were used to present respondents' biodata and to answer the research questions while multiple regression analysis was used to establish the effect of remuneration on employee performance. The study ensured that participation was voluntary and all participants gave their consent. The formulated hypotheses were tested at 0.05 level of significance with the aid of the Statistical Package for Social Sciences (SPSS Version 25).

### Model Specification

Employee performance in this study is regarded as a function of **Reward System**, which is the Independent Variable. The dimensions of reward system include; salary increase, bonuses, increased responsibilities, and recognition. The implicit form of the model is specified as follows:

$$EP = f(RS)$$

$$EP = f(SI, BN, IR, RC) + \epsilon$$

where;

EP= Employee Performance

RS = Reward System

SI=Salary Increase

IR=Increased Responsibilities

RC=Recognition

Thus, the explicit form of the model for this study will be as follows:

$$EP = \alpha + \beta_1 SI + \beta_2 BN + \beta_3 IR + \beta_4 RC + \epsilon$$

where:

$\alpha$  = Intercept of the Model (constant)

$\beta_1, \beta_2, \beta_3, \beta_4$  = Parameters

$\epsilon$  = error term

## Results and Discussion

This section presents the key findings of the study, which investigates the impact of reward system on employee performance in MTN Nigeria Limited, Makurdi Benue State. The findings are structured based on descriptive statistics, correlation analysis, and regression results, followed by a discussion in relation to relevant theories and previous research.

### Descriptive Statistics and Respondent Demographics

The study sampled employees from MTN Nigeria Limited, Makurdi Benue State, majority of participants were within the 18–48 age range, the male respondents are more than the female respondents, due to the nature of the work which is mostly fieldwork. Most participants had between one to five(1–5)years of professional experience, providing a robust basis for analyzing workplace trends related to rewards, and performance.

### Descriptive statistics

**Table 4: Descriptive Statistics Result**

	N Statistics	Minimum Statistics	Maximum Statistics	Mean Statistics	Std. dev. Statistics
SI	41	1	5	4.09	1.030
BN	41	1	5	4.43	.734
IR	41	1	5	4.41	.832
RC	41	1	5	4.18	.995
EP	41	1	5	4.25	.931

**Source:** *Computation from SPSS Output (2025)*

Table 4, established the dimensions of reward system and employee performance in MTN limited Nigeria, Makurdi, The result showed that salaries increase employee performance by 4.09, bonuses increase employee performance as shown by a mean of 4.43, and increased responsibilities also increase employee performance with a mean of 4.41 while recognition increase employee performance as shown by a mean of 4.18. Also, there is an increase in employee performance as reported by a mean score of 4.25.

### Test of Hypotheses

This section presents the hypothesis testing of the study variables. The four hypotheses tested in the study are presented below:

#### Test of hypothesis one

H0<sub>1</sub>: Salary increase has no significant effect on employee performance in MTN Nigeria Limited, Makurdi  
To test this hypothesis, the strength of the effect of salaries on employee performance was measured by the calculated p-value = 0.012 at a significance level ( $\alpha$ ) of 0.05. Since the computed p-value is less than the 5% level of significance for a two tailed test, the null hypothesis is rejected and alternative hypothesis accepted. This implies that salaries have a significant effect on employee performance in MTN Nigeria Limited, Makurdi.

#### Test of hypothesis two

H0<sub>2</sub>: Bonuses have no significant effect on employee performance in MTN Nigeria Limited, Makurdi  
To test this hypothesis, the strength of the effect of bonuses on employee performance was measured by the calculated p-value = 0.016 at a significance level ( $\alpha$ ) of 0.05. Since the computed p-value is less than the 5% level of significance for a two tailed test, the null hypothesis is rejected and alternative hypothesis accepted. This implies that bonuses have a significant effect on employee performance in MTN Nigeria Limited, Makurdi.

#### Test of hypothesis three

H0<sub>3</sub>: Increased responsibilities have no significant effect on employee performance in MTN Nigeria Limited, Makurdi

To test this hypothesis, the strength of the effect of increased responsibilities on employee performance was measured by the calculated p-value = 0.007 at a significance level ( $\alpha$ ) of 0.05. Since the computed p-value is less than the 5% level of significance for a two tailed test. The null hypothesis is rejected and the alternative hypothesis accepted. This implies that increased responsibilities have a significant effect on employee performance in MTN Nigeria Limited, Makurdi.

#### Test of hypothesis four

H0<sub>4</sub>: Recognition has no significant effect on employee performance in MTN Nigeria Limited, Makurdi  
To test this hypothesis, the strength of the effect of recognition on employee performance was measured by the calculated p-value = .001 at a significant level ( $\alpha$ ) of 0.05. Since the computed p-value is less than the significance level of 0.05 (p value .001 <  $\alpha$  0.05), the null hypothesis was rejected and alternative hypothesis

accepted. This implies that recognition has a significant effect on employee performance in MTN Nigeria Limited, Makurdi.

#### **Discussion of Findings**

The findings of the study were discussed based on research objectives and hypotheses.

##### **Effect of salary increase on employee performance**

The first objective of the study was to determine the effect of salaries on employee performance in MTN Nigeria Limited, Makurdi. The findings revealed that salaries have a positive and significant effect on employee performance in MTN Nigeria Limited, Makurdi. The result agrees with Mgbemena et al. (2022) who found a positive effect of basic pay on employee performance. In support of the study, Gunawan et al. (2024) found a positive effect of salaries on employee performance. A study by Uwase and Irechukwu (2023) showed a positive effect of basic pay on employee performance.

##### **Effect of bonuses on employee performance**

This objective sought to determine the effect of bonuses on employee performance in MTN Nigeria Limited, Makurdi and the study found that there is a positive significant effect of bonuses on employee performance in MTN Nigeria Limited, Makurdi. The result agrees with Garba & Idris, (2021) who affirmed a significant effect of bonuses on employee performance. This is corroborated by Ogwu et al. (2014) who reported a positive significant effect of bonuses on employee performance.

##### **Effect of increased responsibilities on employee performance**

The findings of hypothesis three demonstrated how employee performance at MTN Nigeria Limited, Makurdi, is positively and significantly impacted by greater responsibilities. Gunawan et al. (2022) discovered that fringe benefits has an advantageous effect on employee performance, which supported this finding. Kadir et al. (2019), who demonstrated a favorable impact of benefits on employee performance in Kenya, corroborated the findings.

##### **Effect of recognition on employee performance**

The finding of the study revealed that recognition has a positive and significant effect on employee performance at MTN Nigeria Limited, Makurdi. This is also supported by the statements in the questionnaire, which the majority of the respondents agreed with: allowances affect employee performance. In line with the result, Dharmawana, Sundjotob & Rahayu (2024) established a significant effect of performance allowances on employee job performance. Similarly, Hasanah et al. (2023) reported a positive effect of performance allowances on employee performance.

#### **IV. Summary of Findings**

The study examines the effect of reward system on employee performance in MTN Nigeria Limited, Makurdi. The study investigates the effect of wages and salaries, bonuses, fringe benefits and allowances on employee performance in MTN Nigeria Limited, Makurdi. Data collected from the respondents were analyzed and the following findings were revealed:

Wages/salaries have a positive significant effect on employee performance in MTN Nigeria Limited, Makurdi

Bonuses have a positive significant effect on employee performance in MTN Nigeria Limited, Makurdi

Fringe benefits have a positive significant effect on employee performance in MTN Nigeria Limited, Makurdi

Allowances have a positive significant effect on employee performance in MTN Nigeria Limited, Makurdi

#### **V. Conclusion**

The study explored the effect of reward system on employee performance in MTN Nigeria Limited, Makurdi. The results demonstrated that reward system significantly affects the performance of employees in MTN Nigeria Limited, Makurdi. The study concludes that regular and fair salaries have positively affected employee performance in MTN Nigeria Limited, Makurdi. The study also concludes that, the provision of cash and other forms of bonuses, fringe benefits and allowances and commission-based pay has considerably improved employee performance in MTN Nigeria Limited, Makurdi.

#### **VI. Recommendations**

In line with findings and conclusions the study recommends that:

- i. Management of MTN Nigeria Limited, Makurdi should always provide fair salaries that are commensurate to the job performance of employees in line with the new minimum wage.
- ii. Management of MTN Nigeria Limited, Makurdi should ensure that performance-based bonus is provided to employees to increase their commitment and performance at work.
- iii. Management of MTN Nigeria Limited, Makurdi should always provide fringe benefits such as health protection benefits and retirement benefits to the employees to help create a sense of loyalty and encourage performance at work.

- iv. Management of MTN Nigeria Limited, Makurdi should optimize employee performance by increasing allowances paid to all categories of employees. The company should pay allowances such as transport allowances, overtime allowances and responsibility allowances to all employees.

### Future Research Directions

The study suggests that further studies should investigate the impact of different reward systems on employee performance in other telecommunication companies such as Glo, 9mobile and Airtel. Also, further studies should be conducted on reward system and employee performance in other sectors in Nigeria such as banking, education and transport.

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